

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



DRAFT Procurement Processes Workshop Agenda
Long-Term Procurement Proceeding (R.06-02-013)
May 21st through 23rd, 2007

Purpose: Energy Division is holding this workshop to identify areas of concurrence and/or compromise on how to improve the procurement process in general, and in particular improve the processes by which IOUs evaluate and select long-term power contracts.

DAY 1 SCHEDULE

10:00–10:30 Opening Session

- Introductions
- Workshop goals

10:30–12:00 RFO Development and Selection Process:

Each IOU will discuss the process that each goes through in designing and executing it's RFO including its bid evaluation and selection process.

- How does the IOU currently develop and execute its RFOs? How does it determine what bid criteria is appropriate?
- What can and should be done to standardize the RFO process in ways that will maximize competition and provide transparency to the development and bidding process?

12:00–1:00 Lunch Break

1:00 – 2:15 Q&A on IOU Presentations

2:15 – 2:30 Break

2:30 – 4:30 Facilitated Discussion on Improving Competitiveness and Transparency in the RFO Process

DAY 2 SCHEDULE

10:00 – 12:00 Procurement Review Group:

- To what extent does the PRG need to be involved in the RFO process? Should the PRG be notified before the IOU issues an RFO? Should PRG approval be required? Under what conditions should the IOU be required to consult with their PRG?
- What can/should the Commission do to increase the impact and effectiveness of the PRG?
- Should the PRG be expanded to include the interests of all ratepayers (bundled & unbundled)? Should the PRG be expanded to include any other market participants?
- How does the PRG process impact the litigation process?
- Are there sufficient “safeguards” in place to represent all benefiting customer interests without expanding the PRG? (all contracts would have to be submitted for Commission approval, IE involvement in the solicitation, etc)

12:00 – 1:00 Lunch Break

1:00 – 2:15 Procurement Outside of RFOs (Excluding AB 1576 Repowerings)

Multiple parties presented procurement options that would be available to an IOU outside of a competitive solicitation. Each party will briefly discuss the reasons it believes an IOU should be able to procure resources outside of an RFO.

- Should the Commission allow any long term procurement to take place outside of an RFO?
- Should an IOU be allowed to justify long-term procurement outside of an RFO based on bids received in an earlier RFO? If so, what is the proper time limitation? 1 month? 6 months? 12 months? Should the IE be involved in the selection of this project?
- If IOU procurement takes place outside of a competitive process should the procurement commitment be given AB57 treatment?
- What assurances can the IOU provide to the market that the IOU’s project was selected based on similar criteria that resulted in no successful bids in the prior solicitation?

2:15 – 2:30 Break

2:30 – 3:30 IOU Procurement “Rulebook:”

- What benefits would the creation of IOU “Procurement Rulebooks” have?
- How much and what type of information should be included in a “Rulebook?”
 - Is SCE’s proposed “Rulebook,” which provides relevant Commission rulings, contextual information, and SCE’s interpretation an appropriate model?
 - Should the “Rulebook” also (or instead) contain specific procurement authorization information for each IOU (approved brokers, LTPP-approved procurement authority, etc...)?
- Should there be a public and non public version of the “rulebook” or would a confidential appendix that contains utility specific regulatory approvals suffice?
- What process should be developed in order to modify and update the “Rulebook?”
- What Commission approvals are required?
- What are potential issues that might arise if the Commission institutes a “Rulebook” per each IOU?

3:30 – 5:00 Brainstorming and/or Breakout Sessions on Alternative Procurement Paths

DAY 3 SCHEDULE

10:00 –12:00 Independent Evaluator Presentation and Q&A

Each Independent Evaluator will give a presentation on its involvement in IOU solicitations. Presentations shall include but not be limited to: IE interaction with various stakeholders, IE reporting requirements, process improvement, etc.

- How can the Commission improve the process of selecting an IE?
- Is the role of an IE, as currently defined by Commission policy, sufficient? If so, why? If not, why? How can the Commission provide more clarity as to the role that an IE plays in each solicitation?
- Should an IE be required for every solicitation regardless of the length of contracts or type of bid received?
- How can the Commission and the IOUs develop a pool of IE candidates to choose from for solicitations?

12:00 – 1:00 Lunch Break

1:00 – 2:30 Market Transitions

In D.06-07-029 the Commission expressed a desire to transition to a more competitive market in which market forces, not necessarily regulatory mandates, determine the available resources for LSEs to utilize to meet load.

- Is the hybrid market, as it currently is, adequate to incentive market players to build new generation without long term regulatory guaranteed, (rate payer-funded) cost recovery?
- How do we transition to a market where the risks associated with planning for, building and operating a power plant are shared between ratepayers and shareholders?
- How can we move to a market where there is less focus on IOU-centric long term resource planning models?

2:30 – 2:45 Break

2:45 – 4:00 Brainstorming and/or Breakout Sessions on Transition Issues

4:00 – 4:30 Court Reporter available for workshop summaries